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ABC THIS WEEK WITH GEORGE STEPHANOPOULOS

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SPEAKERS: GEORGE STEPHANOPOULOS, ABC NEWS ANCHOR SEN. RON JOHNSON, R-WIS. FORMER FLORIDA GOVERNOR JEB BUSH DNC CHAIR REP. DEBBIE WASSERMAN SCHULTZ, D-FLA. GEORGE WILL, ABC CORRESPONDENT PAUL KRUGMAN, NEW YORK TIMES COLUMNIST JULIANNA GOLDMAN, WHITE HOUSE CORRESPONDENT

[*] STEPHANOPOULOS: Good morning, and welcome to This Week. What a difference a week makes.

(BEGIN VIDEO CLIP)

OBAMA: What more do you think I should do?

(END VIDEO CLIP)

STEPHANOPOULOS: How about dinner?

(BEGIN VIDEO CLIP)

JOHNSON: Today was a good step. He seemed very sincere in trying to get engaged in the process.

(END VIDEO CLIP)

STEPHANOPOULOS: Will Obama's charm offensive revive the grand bargain, and finally break a budget stalemate? Senator Ron Johnson was there, and joins our powerhouse roundtable with the inside story. Then...

(BEGIN VIDEO CLIP)

BUSH: I have supported both -- both the path of legalization, or a path to citizenship.

(END VIDEO CLIP)

REID: Let's wait for a few minutes and see how Jeb Bush changes his mind, again.

(END VIDEO CLIP)

STEPHANOPOULOS: A double take from Jeb Bush on immigration. How will it shape a possible presidential race? Governor Bush is here, and we'll ask him. Plus...

(BEGIN VIDEO CLIP)

PAUL: And I will speak as long as it takes.

(END VIDEO CLIP)

STEPHANOPOULOS: Rand Paul takes over the Senate. Facebook's Sheryl Sandberg takes heat for leaning in.

(BEGIN VIDEO CLIP)

SANDBERG: My message is not one of (inaudible.)

(END VIDEO CLIP)

STEPHANOPOULOS: And we take on all the weeks politics right now.

ANNOUNCER: From ABC news, This Week with George Stephanopoulos. Reporting from ABC News headquarters, George Stephanopoulos. STEPHANOPOULOS: Hello again. Could this be the week Washington got back on track? That's the question buzzing through the Capitol after the president picked up the phone, picked up the tab, and spent more quality time with rank and file Republicans, than at any other point in his presidency. The first reviews have been encouraging, and in his Saturday address, President Obama showed some tempered optimism.

(BEGIN VIDEO CLIP)

OBAMA: Making progress on these issues won't be easy. In the months ahead, there will be more contentious debate, and honest disagreement between principled people who want what's best for this country. But I still believe that compromise is possible. I still believe we can come together to do big things. And I know there are leaders on the other side of the aisle who share that belief.

(END VIDEO CLIP)

STEPHANOPOULOS: House Speaker John Boehner, a bit more skeptical.

(BEGIN VIDEO CLIP)

BOEHNER: I think it's a sign, a hopeful sign, and I'm hopeful that something will come out of it. But, if the president continues to insist on tax hikes, I don't think we're going to get very far.

(END VIDEO CLIP)

STEPHANOPOULOS: And one of those Republican Senators having at dinner with the president Wednesday night, here on our Powerhouse Roundtable Senator Ron Johnson...

JOHNSON: Good morning, George.

STEPHANOPOULOS: ... of Wisconsin. Good morning. Also the chairwoman of the Democratic National Committee, Debbie Wasserman Schultz, Congresswoman of Florida, George Will, Paul Krugman of Princeton and the New York Times, and White House Correspondent from Bloomberg, Julianna Goldman. Welcome to all of you. Let me ask you Senator, what happened there?

JOHNSON: Well, he was very honest, frank. A very complete discussion of -- you know the problems we face in this nation. President Obama opened it up, really prioritizing the problems, certainly making the point that it's health care, it's Medicare. You know from my standpoint, the input I provided to him is, if we're going to really get to an agreement, this is a good step. I mean you have to start meeting with people. You have to start developing relationships. You've got to spend a fair amount of time figuring out what we agree on first.

So -- so many times we -- we're talking about different numbers, and we have to first agree on the facts, the figures. One interesting point he made is, he said, you know the problem with Medicare is about a dollar of every -- of every -- basically Americans pay in a dollar, but they get more than \$3.00 out in benefits. He said people generally don't understand that. They think that money is theirs. And the point I made to him is, you know Mr. President, you are in a unique position to be able to make sure the American people understand that.

We're not going to be able to solve these -- these very difficult problems unless we start laying the groundwork, and prepare the American people for some of the solutions.

STEPHANOPOULOS: But will this lead to negotiation?

JOHNSON: I -- I certainly hope so. Now I got a call from his chief of staff over the weekend to talk about, you know what we need to do in terms of developing the process. So, you know we'll -- I'll certainly give the president the benefit of the doubt. You know the other side is not going to go away. If we're going to solve these problems, it's going to have to be done on a bipartisan basis, and -- and I'm certainly, and I think most Republicans are more than willing to work with this president.

STEPHANOPOULOS: Well, we heard from House Speaker John Boehner, George Will, revenues still the big issue?

WILL: And Senator Johnson's leader, Mitch McConnell has said the revenue question is settled. It was settled on the fiscal cliff, so no more revenues. I'm not sure what you compromise about. The charm offensive, one night dining together at the Jefferson Hotel, follows a long period in which the president has said, Republicans don't just have bad policies, they are bad people that have bad policies. And it's hard to undo that in a night.

He needs five senators. That's basically what he needs to do. You need five justices to get something done on the Supreme Court, he needs give Republicans to come over to get to 60 with the 55 Democrats. I think it's unlikely.

(CROSSTALK)

STEPHANOPOULOS: Go ahead?

JOHNSON: He needs far more than that. I has to -- he has to bring the House along as well. So this has got to be a bicameral, this has got to be a robust process and again, you've got to take that first step, and the president did that. I think Republicans reciprocated.

STEPHANOPOULOS: If he continues -- if the president lays out more far-reaching entitlement reforms on Medicare, for example, will Democrats in the House follow?

WASSERMAN SCHULTZ: Well, I -- I think what needs to be happen, the president is going to come up to Capitol Hill this week and meet with both Republican and Democratic caucuses and conferences, and continue the dialogue. I mean unfortunately what we've had thus far is a paralyzed Republican leadership, particularly in the House, who has not been able to act, not felt that all that they have enough -- enough leeway because of their -- the extremism in -- in their Republican conference to -- to do anything with the president.

So reaching out to the rank and file is extremely important. Building those relationships, and building up some of that trust -- because, you know it's really hard to make tough decisions, and reach consensus when there is such a trust gap.

STEPHANOPOULOS: You're as skeptical as George Will?

KRUGMAN: I'm really skeptical, because I -- I mean this is not -- this is not about bad personal relations. People are perfectly capable of being polite to each other, being nice, having a nice dinner. This is about a fundamental difference in visions about what America should be.

(CROSSTALK)

KRUGMAN: One party really wants to take down the -- the -- the safety net we have. One party really wants...

(CROSSTALK)

KRUGMAN: ... to privatize Medicare, wants to, you know roll back, wanted to try to privatize Social Security back in 2005. The other party wants it somewhat extended, wants Obamacare to go into place, would do more if it could. That's not something you're going to resolve with a few dinners.

GOLDMAN: Look, both sides understand what a grand bargain is going to look like. You're going -- Republicans are going to have to give on revenues, Democrats are going to have to give on entitlements. And so there is some case for optimism now that if the president, in trying to build trust -- once these lunches, these dinners, don't become news events that we're covering, but if Republicans see the president moving forward, putting Medicare savings on the table that doesn't just hit providers, but also hits beneficiaries as well, then -- and also going out and selling it to give Republicans some cover, then there could be a sense that you could get some Senate Republicans to -- to help bring the House along.

(CROSSTALK)

STEPHANOPOULOS: And they'll have to go first, the Senate Republicans.

WILL: Yes. Let's begin the process right here, right now. Is it conceivable that your caucus -- you're from Florida...

WASSERMAN SCHULTZ: Yes.

WILL: ... which is full of old people, known as God's...

WASSERMAN SCHULTZ: Senior citizens.

WILL: ... known as God's antechamber for a good reason, but anyway...

WASSERMAN SCHULTZ: Now, now.

(CROSSTALK)

WASSERMAN SCHULTZ: I beg to differ.

WILL: Is it conceivable that your caucus would consider, with any concessions from the Republicans, raising the age of eligibility for Medicare?

WASSERMAN SCHULTZ: What -- well the only way we've made any progress in careening from crisis to crisis in the last several years is because of Democratic votes in the House of Representatives. The Republicans have been able to get absolutely nothing done with their majority. They've needed our members -- the majority of our members to actually sit down, be willing to make political sacrifice, actually spend some political capital. We supported \$1.2 trillion in spending cuts.

The cuts only approach to the debt ceiling deal in the summer of 2011, we -- we did that because it was important to not let the -- the country go over, and jeopardize the full faith and credit of the United States. We need the Republicans to realize that...

(CROSSTALK)

WASSERMAN SCHULTZ: ... they are going to have...

(CROSSTALK)

WASSERMAN SCHULTZ: ... no, but...

(CROSSTALK)

KRUGMAN: Is it a condition of any Republican support that you have to go for really terrible policies? Because raising the Medicare age is a terrible policy. It raises medical costs, it does very little to improve the budget. It introduces a lot of hardship. Means testing in Medicare is a better policy. I don't particularly like it, but it's a better policy. There are other things you can do. There are other ways you can cut. Even -- I don't like the business about changing, you know the price index for Social Security, but that's not as bad...

(CROSSTALK)

KRUGMAN: ... of all of the things on the table...

(CROSSTALK)

STEPHANOPOULOS: Let the Senator go, and then...

JOHNSON: To say that the Republicans haven't done anything, is just false. The House has actually passed budgets. You know with -- with proposals to -- to try and save Medicare, bipartisan proposals, quite honestly. The Senate hasn't passed a budget in over four years. Listen, unless we do something, these programs are going broke. It drives me nuts. When I -- when I hear people say that Social Security is solvent to the year 2035, it's not.

(CROSSTALK)

JOHNSON: In the next 20 years we'll be \$5.1 trillion...

WASSERMAN SCHULTZ: OK.

JOHNSON: ... more -- more in debt than...

(CROSSTALK)

STEPHANOPOULOS: Let me put a version to George Will's question to you then. If the president went along with either means testing of Medicare beneficiaries, more far reaching, he's done a little bit already, and also adjusting consumer pricing index for Social Security recipients, would you as a Senator, be open to more revenues?

JOHNSON: Listen, if you -- if you're taking a look at, in a entitlement reform package, in term -- you know actually bringing in revenue for those entitlement reforms, I might look at that. But the fact of the matter is -- the fact of the matter is, we already have a \$1 trillion in middle income tax increases hitting us in Obamacare. They're hidden, but it's middle-class...

(CROSSTALK)

JOHNSON: ... it's certainly true, as well as another \$600 billion. So, you've already got \$1.6 trillion worth of tax increases hitting us in the next 10 years. That's going to harm economic growth. George, the best way getting out of the situation is economic growth.

(CROSSTALK)

WASSERMAN SCHULTZ: No, let -- first of all, that is completely untrue. It is -- there are not \$1 trillion in taxes in Obamacare, and what is true -- what is true is that the president in his grand bargain, which is still on the table, which -- with Republicans could take him up on right now, has \$360 billion more in savings that ensures that we can add solvency to Medicare. Let's look at what entitlement reform is necessary to reduce the deficit. It isn't Social Security. Social Security's solvency has to be dealt with.

It could be dealt with separately because there is that many years of solvency left in Social Security. So let's not

hit the middle-class first.

WASSERMAN SCHULTZ: Let's make sure that we take a balanced approach to deficit reduction, and no, the Republican leadership cannot dig in and say that we are done with revenue, because we are not. We got \$600 billion, the -- the speaker himself in his proposal in the grand bargain discussion they had with the president, had \$1 trillion in revenue, and so there is -- there is another, about \$600 billion left that we can do in revenue.

KRUGMAN: Just a question, you say let's start with the facts, but there -- we've just -- we've just run aground right there...

(CROSSTALK)

JOHNSON: You've made my point -- you've made my point, we have to agree on the facts.

(CROSSTALK)

KRUGMAN: But the facts are false.

JOHNSON: No they are not.

(CROSSTALK)

JOHNSON: They are not false.

KRUGMAN: The Social Security thing, Social Security is -- there -- it has a dedicated revenue base. It has a trust fund based on that dedicated revenue base. You can't change the rules midstream and say, oh suddenly...

(CROSSTALK)

JOHNSON: See here's -- here's the problem...

(CROSSTALK)

JOHNSON: ...here's the problem with the trust fund, the federal government owns U.S. Treasury bonds, it's the same thing as if you have \$20.00, you spend it. And by the way, that money is spent, it's gone. You write yourself a note for \$20.00, stick it in your pocket and say, I got 20-bucks.

(CROSSTALK)

JOHNSON: No, you don't. You -- you have a note that you have to sell in the open market. The trust fund is a fiction, it doesn't -- it's...

(CROSSTALK)

KRUGMAN: If you -- if you want to think of Social Security as not just being part of the government, then there's no such thing as a Social Security problem, it's just part of the general budget. You -- you cannot say on the one hand...

(CROSSTALK)

KRUGMAN: ...on -- on the other hand we're going to -- we're going to restrict it to only operating off of...

(CROSSTALK)

KRUGMAN: It's -- but it's important to realize that the facts that are being brought out here are in fact, non-facts. And how...

(CROSSTALK)

WILL: As Pat Moynihan said, "Everyone is entitled to their own opinion, but not their own facts", and we're going to start this chimeric negotiation from two sides that can't agree on the most basic thing...

(CROSSTALK)

JOHNSON: That's the first thing we have to...

(CROSSTALK)

STEPHANOPOULOS: We're going to have a lot more information...

(CROSSTALK)

STEPHANOPOULOS: ...hold on one second, we'll have a lot more information on the table this week. We're going to have budgets put forward in both the House and the Senate, Democrats in the Senate, Republicans led by Paul Ryan in the House. Jon Karl has more on that.

JONATHAN KARL, ABC NEWS: This one, which again includes those fundamental changes to Medicare, may actually be more controversial than his last one, because this time Ryan is promising to balance the budget in 10 years. His last budget didn't balance until way out into the 2030's. And he's doing it entirely with spending cuts. In fact I am told he will leave the spending levels under the sequester in place for the next 10 years. Meanwhile, the Senate is going to do something that they haven't done in four years, they're actually going to release a budget.

Senate Budget Chairman Patty Murray is not promising to balance the budget, but she is promising to undo the sequester with a mix of tax increases, and spending cuts found elsewhere. George?

STEPHANOPOULOS: Juliana Goldman, nothing from the White House probably until April, no White House budget until April. But Paul Ryan now able to get to balancing in 10 years instead of 30, in large part because the economy has been doing better?

GOLDMAN: Yeah, and because he's counting the revenues from the fiscal cliff deal, \$600 billion, also savings from the Affordable Care Act as well, but this is an important week for budget talks. The battle lines really are being drawn here, and we are going to see just how far apart both sides are. I think one of the questions for the White House, and this is why they started the charm offensive last week, to start softening the field here, it's how they're going to respond to the Ryan budget.

They say that they're going to respectfully point out the differences that they have, but the devil will be in the details about how respectful they're going to be. Nobody wants to see a replay of when the president famously gave his budget speech in 2011, and hammered Paul Ryan sitting in the front row there. And so it will be a test of whether this civility will continue.

STEPHANOPOULOS: So, George Will, we're going to have everything on the table, probably by the end of the week. But my guess is that everyone, both in the House and Senate is still going to be hanging back until the summer, to wait and see what really happens when the sequester starts to kick in, and then when we face this next deadline, the government running out of its borrowing authority, sometime this summer.

WILL: The Republicans like the sequester so far. But so far they like the sequester. And when Senator Murray begins by saying, we're going to end the sequester, she's saying I am going to end the one thing Republicans think they've won in the last year in Washington.

STEPHANOPOULOS: Are they going to like it in June?

KRUGMAN: No because this is -- you know -- people talk. The sequester is mostly falling on discretionary spending. Discretionary spending is easy to cut, because we just say let's -- let's cut that number. Until you start to see the consequences. And it will start to build, and it won't just be White House tours, it will be air traffic delays, it will be -- you know there will be a lot of things that people actually value.

(CROSSTALK)

KRUGMAN: In some ways -- and some of my -- you know some of my liberal friends are also in a way welcoming the sequester because they think as the effects kick in, it will remind people why actually we need a government that does its job.

STEPHANOPOULOS: It will put more pressure on defense, which could cause some trouble.

JOHNSON: And of course, that's the problem. 65 percent of the budget is off the budget. It's not -- it's on automatic pilot. If you ran a business that way and basically said, health care? Don't worry about, you know what we're spending on that, spend whatever. Same with -- with retirement. You'd be bankrupt in no time. The fact of the matter is the federal government is bankrupt. The only reason -- reason it's not functionally bankrupt is because we can print money. And that's what we're doing...

(CROSSTALK)

KRUGMAN: There's a remarkable document that almost nobody noticed came out yesterday from the Congressional Budget Office about the -- about the budget. And what it said is, it's projecting a deficit of \$845 billion this year, of which fully half is what they call automatic stabilizers. Low revenue because of depressed economy, unemployment benefits which are high because of the depressed economy. With a fully recovered economy, the budget deficit would be down to about \$420 billion which is, in fact, a level that is consistent with a stable debt position.

(CROSSTALK)

KRUGMAN: The adjusted budget deficit now is back to what it was in 2006.

(CROSSTALK)

KRUGMAN: Back to what it was during the height of the housing bubble. So we are in fact -- we have already basically brought the budget under control, and nobody noticed.

STEPHANOPOULOS: For the next 10 years.

WASSERMAN SCHULTZ: What CBO has also said is that if we don't replace -- if the sequester remains, we'll lose about 750,000 jobs. Evidence that a cuts only approach like the sequester, particularly one that is indiscriminate, takes a meat ax instead of a targeted responsible approach to spending cuts, with balance from closing tax loopholes that only benefit the wealthy, and using that to reduce the deficit. Make sure that we also talk about entitlement reform, which yes, I would be willing to support that if we have a balanced approach.

And the only ones who, unfortunately right now are on the side of cuts only is the Tea Party extremists and the Republican party in the House and the Senate.

GOLDMAN: Sequestration is a lose-lose, for both sides. For Republicans, to the extent that they're seen as uncompromising to a fault. This is just going to hurt the brand even more. For the president, we're seeing robust job growth, great trends in the economy right now. And the sequester issue has yet to drop. And to the extent

that it starts shedding 750,000 jobs a year to push the economy back, that's bad for the president too.

(CROSSTALK)

STEPHANOPOULOS: Will -- will, this -- and that's one of the questions, we saw this robust jobs report this week. Is the sequester -- is this going to actually make the sequester less...

JOHNSON: George -- George...

(CROSSTALK)

KRUGMAN: I don't think the problem is going to be the fact that it hits the economy, though it will hit the economy. And it -- it's -- it's a real shame because it looks like finally the engine is really catching. And just at the moment the ending is catching, somebody is, you know pulling the plug.

(CROSSTALK)

JOHNSON: At what point do we restrain the growth in government? What point?

(CROSSTALK)

KRUGMAN: Spending growth has been exceptionally low under Obama. We just need to say that.

JOHNSON: We're up to 23 percent of our economy...

(CROSSTALK)

WILL: (Inaudible) your adjective about robust growth.

JOHNSON: Yes.

WILL: If the workforce participation rate were as high today as it was just 12 months ago, the unemployment rate would be 8.3 percent. If the workforce participation rate were as high today as it was when Mr. Obama was inaugurated, the unemployment rate would be over 10 percent.

(CROSSTALK)

STEPHANOPOULOS: If all of the government jobs weren't cut, then...

(CROSSTALK)

JOHNSON: We are still 3.1 million jobs behind the high point in November of 2007.

(CROSSTALK)

JOHNSON: 3.1 million jobs. And the -- the fact is, the average -- the average growth of -- after 13 quarters post World War II recession -- recovery is 18 percent. Under Ronald Reagan 19 percent. Under Obama it's about 7 percent because of all the regulations.

(CROSSTALK)

WASSERMAN SCHULTZ: Our friends on the other side of the aisle unfortunately like the Senator, continue to root for our economy to not be doing well. JOHNSON: Absolutely not. Absolutely not.

WASSERMAN SCHULTZ: The fact is we've had...

(CROSSTALK)

WASSERMAN SCHULTZ: ...excuse me. We've had 37 straight months of job growth in the private sector. Four of the last five months have been 200,000-plus jobs a month. As it -- look, I want to start where I began which is that there is a trust deficit between the two sides. I am someone...

WILL: The big difference is that...

(CROSSTALK)

WASSERMAN SCHULTZ: ...there is a trust deficit, and the way in my experience in 20 years as a legislator that you close that trust gap, is to sit down and continue to talk. I'm a lot more likely to reach consensus and agree on the facts when I have spent some time getting to know, and working with the other side. And we've got to make sure that continues.

STEPHANOPOULOS: The gulf is still wide. We do have to take a quick break. Up next, Jeb Bush back in the national spotlight with a new book on immigration, and an open door to running in 2016, he joins us next. Plus Mr. Paul goes to Washington, setting Twitter on fire with his filibuster on drones, and Facebook's Sheryl Sandberg sparking a fierce debate on women and work, and she's going to weigh in on all that when we come back.

(COMMERCIAL BREAK)

STEPHANOPOULOS: Governor Jeb Bush up next. Then, the roundtable and all the fallout from Rand Paul's filibuster, nearly 13 hours on his feet.

(BEGIN VIDEO CLIP)

SEN. RAND PAUL, (R) KENTUCKY: I will speak until I can no longer speak.

(UNKNOWN): You're standing here today like a modern Mr. Smith Goes to Washington.

PAUL: He will be the sole decider, he will be the executioner in chief, if he sees fit.

SEN. MARCO RUBIO, (R) FLORIDA: That takes me back to another modern-day poet by the name of Jay-Z.

PAUL: I've discovered that there are some limits to filibustering. And I'm have to take care of one of those in a few minutes here.

(LAUGHTER)

PAUL: I yield the floor.

(APPLAUSE)

(END VIDEO CLIP)

(COMMERCIAL BREAK)

(BEGIN VIDEOTAPE)

SEAN HANNITY, FOX NEWS ANCHOR: Think your brother Jeb would be president one day.

GEORGE W. BUSH, 43RD PRESIDENT OF THE UNITED STATES: I wish he would be. When the man says I'm not running, he means it. And I wish he'd run.

(UNKNOWN): Would he be a good president?

GEORGE H. W. BUSH, 41st President of the United States: Absolutely. and i don't just take that from a father's

prejudiced view. I mean, he's a good man. He performed as governor. He's well spoken. He's not an extremist. He's not a wild guy that contributes bad motives to those who disagree with him. And he's good. And people that know him and hear him say the same thing.

(END VIDEO CLIP)

STEPHANOPOULOS: It has always been no before, but Jeb Bush opened the door just a crack to following in the footsteps of his father and brother this week when he made the rounds for his new book "Immigration Wars," co-author with Clint Bolick. And we're glad to have the former governor joining us on This Week right now.

Thanks for joining us, governor.

BUSH: Thanks, George.

STEPHANOPOULOS: I want to get to the book in just a second, but let's start out with that charm offensive this week from President Obama, having dinner with Senate Republicans, talking with Paul Ryan as well over lunch and it really seems like he's trying to resuscitate this grand bargain over the budget. What do you make of that?

BUSH: I don't -- I don't know what the -- what the intent is, but I do -- I'm very encouraged by the fact the president is trying to restore some personal connection with policymakers in Congress. I'm at the Reagan Library today and that's kind of what Ronald Reagan did. He didn't-- scorn his adversaries, he embraced them and got a lot done.

And so when I saw that-- these meetings, the lunch with Paul Ryan and-- and other-- and the dinner of course, this is very positive in my mind. It makes it harder to-- to reach agreement when there's not trust. It's just human nature. And so this is maybe a good, positive first step.

STEPHANOPOULOS: Ronald Reagan was also willing to reach out for new revenues when he thought it was in the best interests-- of the country. I just want to get your position clear on this. You've talked about the challenge of reducing debts and deficits and said that you would be open to some new revenue, if you believe the president was serious about entitlement reform. Are you seeing those signs of seriousness and are you sticking by that position?

BUSH: I haven't seen the seriousness of the president's-- efforts. I'd love to see a specific plan that really did reform-- bend the cost curve for Medicare and the entitlement system. I haven't seen it, so-- if there is-- through these talks, some kind of consensus that emerged, I don't think you should say, "No, no, no" about anything.

Frankly, there was already been one of the largest tax increases in American history a month ago. And frankly, we ought to be focused on sustained economic growth, which grows more revenue for people and for government than any tax increase-- that's been suggested, so there are a lot of things that could be done to create a real grand bargain. And-- let the process work. I'm hopeful that the president's sincere about this.

STEPHANOPOULOS: Let's talk about immigration. I think your book surprised some of your allies a whole bunch in there, but a lot of people focused on what seemed like a step back away from your previous support of a path to citizenship for immigrants who are illegally in the country right now. And-- by the end of the week, it seemed like you had worked your way back towards being open to it again. But Senator Lindsey Graham-- one of your allies in the Senate is working for a bi-partisan immigration reform was surprised. He said that-- your statements undercut what they were trying to do and only a bill that has a path to citizenship can get through the Senate.

BUSH: So, Senator Graham and I talked. He was responding to concerns that were expressed before the book was actually published. I gave him -- he's gotten the book. He's seen it. And in our conversation, I told him that I support his efforts and I applaud what he's doing. And he concluded, after he heard what the thesis of the book is

that we're in sync. We're on the same -- on the same path.

The basic premise needs to be that coming to the country legally should be easier, with less cost, than coming to the country illegally. And if you can create a system like that as is being discussed in the Senate and in the House through a path to citizenship, that's fine. But my guess is that will take a long, long time to achieve. In the interim, it's important to take people out from the shadows to allow them to have the dignity of being -- having legal status and there we agree as well.

STEPHANOPOULOS: And are you encouraged based on your talks with those in the Senate and the House that this can actually get done this year?

BUSH: Yeah, I am. I'm -- I'm very encouraged. There are some big sticking points about how do you deal with -- making sure that there's enough -- seasonal workers, temporary worker programs that have been quite successful in the past. There's a lot of people on the left that oppose that, but there's perhaps a way to make this economically driven. The AFL-CIO and Chamber of Commerce have reached an agreement to kind of create a path for that.

There's a lot of work being done, really good work, courageous work, because this is complex and-- and may not be popular, but I think it's -- it is possible that comprehensive reform can be done.

STEPHANOPOULOS: You know-- you've done a lot of interviews this week, been out there a lot. The New York Times said it was-- a rocky week for you in your reentry into-- into national politics and I wonder if that's how it felt to you. And did it affect your thinking about a possible presidential run someday at all?

BUSH: I didn't-- I didn't-- I haven't found it to be rocky, but I'm not viewing this as a political reentry either. I just don't view it that way. I've been concerned about immigration -- and the positive aspects of it being -- put aside while we fight the political fight. And it's a very dangerous time for us to be doing that. And so with my friend Clint Bolick, we set out to write a book last year to lay out a conservative, positive agenda to regain our strength as a nation through embracing our immigrant heritage. And that was the purpose of the book. And -- I hope when people get-- actually get a chance to read it that they -- they see that that was the intent.

STEPHANOPOULOS: But your answer for running to president is not no anymore, correct?

BUSH: Yeah, I don't know how you get to yes by saying not no, but I'll let you all figure that out.

STEPHANOPOULOS: Yeah, I'm-- I'm not saying it's yes. I'm just-- I just want to know if the door's open a little bit. Finally, I know we're running out of time...

BUSH: But everything -- everything's viewed with a political lens in Washington and that's just the -- the nature of the beast and -- it is what it is.

STEPHANOPOULOS: Finally, we all saw that picture of your father yesterday with former -- Canadian Prime Minister Brian Mulroney. He looked -- he looked like he was doing pretty well. How is he feeling?

BUSH: He's doing better. You know, he's got his spectacular chief caregiver, Barbara Bush, taking care of him and he's regaining his strength day by day. And he's out more. He was at the University of Texas, A&M, at the Bush School -- twice in the last two weeks, so -- we're excited that he seems to be making great progress.

STEPHANOPOULOS: That is good news. Governor, thanks very much for your time today.

BUSH: Thank you.

(END VIDEOTAPE)

STEPHANOPOULOS: Back now more roundtable now. We'll reintroduce everyone. George Will is here as always, also Paul Krugman of The New York Times and Princeton, Julianna Goldman of Bloomberg News, and Senator Ron Johnson, a Wisconsin congressman, and Deborah Wasserman Schultz of Florida.

And George you heard Governor Bush there. He said it wasn't a political week, it wasn't all that rocky but he is encouraged on immigration reform.

WILL: Well, maybe, in part because he really did clarify the argument. Everett Dirksen was the leader of Senate Republicans for many years said I have my principles and one of my principles is flexibility. And Mr. Bush was flexible on treating the 11 million who are here already,

The immigration debate today is occurring after two years in which net immigration from Mexico, which is the most important source of immigrants, has been approximately zero. Most important capital is not Washington, D.C. it's Mexico City where they have their economy doing a, better than ours and b, being a magnet to help people stay there.

So what we're really arguing about is what to do about the 11 million illegal immigrants who are here already. And I think what we learned this week was any plan that does not envision as an end point citizenship for those is not going to work.

STEPHANOPOULOS: It's now bottom line, that's right.

KRUGMAN: So, I just learned something really important from this interview about Jeb Bush which is he's one of those people who says frankly just before he delivers a big whopper. So that frankly we're going to deal with the deficit by economic growth. Come on. He has no plan. Anyway, that was impressive.

It's an object lesson. I mean, he's just shown us the perils of political pandering. He wrote a book for the immigration debate the way it was a few months ago and got caught flat-footed by the way it shifted. But, look, this is moving in a favorable direction. We seem to be moving towards some...

STEPHANOPOULOS: But he felt the pressure to move toward citizenship.

KRUGMAN: That's right. That's a -- actually I have to say this is one of these things that has really been an amazing, positive development. Most of these other things -- I don't think we're getting anywhere on the budget, but on immigration I think we are.

STEPHANOPOULOS: Do you agree with that?

JOHNSON: The movement on the immigration front is positive and I think the bottom line is whatever we do we can't create incentives for more immigration. I think that's the bottom line.

But I want to talk a little bit about growth, because you mentioned that, as well. Let me defend it.

(CROSSTALK)

JOHNSON: But I got to get back to growth.

STEPHANOPOULOS: OK, go ahead.

WASSERMAN SCHULTZ: Having a bit of experience with Governor Bush being former governor of my state, I think we saw quite clearly that what he did this week was get caught in a tangled web of his own evolving ambition. I'm not sure why you have to write a book on your views on immigration reform to conclude that we need legal immigration to be more cost effective and more incentive than illegal immigration.

I mean, at the end of the day we do have an opportunity for progress. We have an opportunity for progress because President Obama got 71 percent of the Hispanic vote in this country and we have for a long time needed to reach consensus on comprehensive immigration reform, have undocumented immigrants go to the back of the line, pay taxes, pay back taxes and make sure that we recognize that they are part of the backbone of our economy.

STEPHANOPOULOS: And this is one of those areas where a bipartisan group in the Senate is working to come up with a plan about eight senators working on it. The White House encouraged by this, as well.

GOLDMAN: Well, look, with Jeb Bush -- and one of the reasons you did see the brouhaha this week is because the Republican Party, whether he decides to run in 2016 or not, is looking to him for leadership on the issue and to the point when you asked him about what Senator Lindsey Graham said, you know, splitting hairs over a legal pathway, pathway to legalization, or a pathway to citizenship, that muddles the message for Republicans and it muddles policy and it doesn't send -- it sends a mixed message to Hispanics who Republicans are trying to court, as well.

The White House does see progress, but at the same time the president met this week with a religious leaders around immigration and he told them that the congress is unlikely -- the Senate is unlikely to meet the March deadline and that they're unlikely to come forward.

STEPHANOPOULOS: They're likely to come back in April.

You said it's unclear, and it is unclear whether Jeb Bush is going to run in 2016. Pretty clear after this week, though, that Rand Paul, Senator Rand Paul is going to will run in 2016, had that remarkable moment on the Senate floor, 13-hour filibuster. The point he was focusing on at first was he wanted the president to clarify the authority he had to use a drone against Americans, American citizens on American soil. Finally got a no from Eric Holder at the end of the day.

We had Eric Holder writing towards the middle of the debate. "It has come to my attention that you have now asked an additional question. Does the president have the authority to use a weaponized drone to kill an American not engaged in combat on American soil? The answer to that question is no, sincerely Eric H. Holder, Jr."

But George, this filibuster became about far more than that over the course of the day.

WILL: It started about drones but it really went on to a re- examination of Bush era foreign policy and which necessarily means executive discretion and it went on there to a general critique of executive discretion in domestic policy, as well. This really was a revival from the new guys in the Senate, one of which is sitting here, Cruz of Texas and Lee of Utah and Flake of Arizona and all the rest, who are rediscovering the roots of modern conservatism which were in the critique of executive power under Franklin Roosevelt and then Lyndon Johnson.

Traditional conservatism goes right back to the 30s when modern conservatism was born in reaction to the New Deal has been congressionally oriented and a deep suspicion going back as far as the American Revolution against executive prerogatives and George III, deep suspicion of executive power generally.

STEPHANOPOULOS: But it did reveal a big split right now inside the party. You saw Senators Lindsey Graham and John McCain going to the floor. I want to show a little bit of that. One exchange they had where Rand Paul was talking about the possibility that a president might have, for instance, taken out Jane Fonda.

(BEGIN VIDEO CLIP)

SEN. RAND PAUL, (R) KENTUCKY: No one will ever forget Jane Fonda swiveling around in North Vietnamese

armored guns. And it was despicable. That's one thing if you want to try her for treason, but are you going to just drop a drone hellfire missile on Jane Fonda?

SEN. JOHN MCCAIN, (R) ARIZONA: To somehow allege or infer that the president of the United States is going to kill somebody like Jane Fonda or someone who disagrees with the policies is a stretch of imagination which is, frankly ridiculous.

(END VIDEO CLIP)

STEPHANOPOULOS: And Senator Johnson, we also saw Senator Graham go to the point and say he didn't remember a lot of his colleagues raising these questions about the drone policy under President Bush.

JOHNSON: Yeah, I don't think I want to get in the middle of that.

George is right, this is an argument about presidential power, about due process.

STEPHANOPOULOS: You did join the filibuster.

JOHNSON: Sure, because I think Senator Paul had the right -- vote or get that question answered. I mean, it was amazing it went on for 13 hours, but, you know, also at the heart of this drone activity is this administration has only captured one terrorist, detained them and tried to get information out of them. If we're going to win this war against Islamic terrorism...

STEPHANOPOULOS: I don't think that's true.

JOHNSON: There's basically been one high-value individual who's been captured and detained to get information...

STEPHANOPOULOS: There was just another one this week.

JOHNSON: Yeah, but it's been very -- basically the -- basically the process has been using the drones and killing terrorists when what we should be doing is a robust intelligence capability of actually capturing and detaining but they don't do that because they want to close down Guantanamo.

By the way, I've been there, it's a first class facility. We really need to capture people, we need to gain intelligence. WASSERMAN SCHULTZ: Come on. We brought Osama bin Laden to justice. We have -- the spokesperson for al Qaeda, his son-in-law, in custody this week with a 27-page statement. We've decimated the ranks of al Qaeda. We've made them essentially ineffective in the sense that they aren't in a position to be able to wreak the kind of 9/11 havoc that was their hallmark when president -- just before the mid- 2000s.

We've got to make sure that we strike a balance. I'm a legislator and I jealously guard the legislative -- legislature's prerogative, but it has always been clear that the Obama administration's position has been that you cannot pursue a noncombatant American on American soil that was further...

STEPHANOPOULOS: The definition of what is a combatant at that time and this has created some questions among liberals who wish the administration could be more transparent.

KRUGMAN: That's right. There's a lot -- by the way, it was a very weird way to start the debate I mean that specifically about drones and on American soil. I mean, does that mean it's OK to kill me with a drone while I'm visiting Paris or it's OK to kill me in the United States as long as it's a sniper, but not a -- it was a peculiar way to phrase the question.

But, yeah, I mean Democrats are very much -- I think many of them are very uneasy. They really don't like this sort of Bush created weird large discretionary power on the part of the president to go after people without any

kind of formal -- any of the formal machinery that we normally associate with war. It's a difficult world out there, but a lot of liberals have some sympathy with the question.

But there is I think -- can I just say I think it's a very, very strange position. Let me caricature it, which is to say it's bad for the president to go out there and kill people with drones. He should waterboard them instead? I mean, that's a very -- that suggests to me that a lot of people who were part of that filibuster have an very odd notion of what is right and what is wrong in presidential policy.

STEPHANOPOULOS: The White House also makes the argument that they have actually sharply constrained the president's power here, they just can't talk about it yet. And they're struggling to figure out what they can say.

GOLDMAN: They are struggling. And this week not only exposed fissures in the Republican Party, but among the president's own party as well. And I think it is the canary in the coal mine for the enhanced scrutiny that the president is going to find from groups like the ACLU, from human rights groups who don't want Rand Paul to own this issue. The White House is trying to figure out how they are going to answer some of these questions and trying to balance greater transparency. And you can expect to hear from the president about this because he is a constitutional law professor and he does want to make sure there are adequate checks on presidential power not just for himself, but for his....

(CROSSTALK)

WASSERMAN SCHULTZ: Being completely different on this subject which is that I think what was great about what Rand Paul did was that we actually had some real debate. I mean that's almost...

STEPHANOPOULOS: A real filibuster.

JOHNSON: We can all agree on that.

WASSERMAN SCHULTZ: Yes. And in the House of Representatives we are paralyzed by time, canned speeches...

JOHNSON: All that is false.

WASSERMAN SCHULTZ: No, that's not false. The reality is all we ever do on both sides is give...

JOHNSON: Trust me, it is the senate that is dysfunctional.

WASSERMAN SCHULTZ: Well, the process doesn't allow us to have real debate.

WILL: A great American columnist, the late Murray Kempton said the similarity between American politics and professional wrestling is the absence of honest passion. And what you saw in Rand Paul was honest passion and it stood out from all as you say -- all the...

STEPHANOPOULOS: Who made the point this -- that he is capturing a part of the reason he's going to have a lot of energy if he does, indeed, run for president in 2016. He's capturing this libertarian moment which does transcend party lines in some way.

WILL: It does. It goes to the decriminalization of marijuana, it goes to same-sex marriage, a general sense that the government is monitoring us and regulating us too much.

JOHNSON: And that is a great debate. You know, when people are responding to, you know, liberty and freedom and, you know, the protections of our constitution and of our amendments, the fifth amendment, I mean, that's a very good thing for American democracy.

STEPHANOPOULOS: One other big debate being sparked already is being sparked by Sheryl Sandberg, the COO

of Facebook. She's got a new book called "Lean In: Women Work and the Will To Lead." Not even out yet, I guess it's out tomorrow, but it's already made the cover of Time magazine this week. And it captures some of the debate -- the flavor of the debate so far, don't hate her because she's successful.

Sheryl Sandberg is going to be on GMA tomorrow, on 60 Minutes tonight, talking about her ideas.

(BEGIN VIDEO CLIP)

SHERYL SANDBERG, COO FACEBOOK: They start leaning back. They say, oh, I'm busy, I want to have a child one day. I couldn't possibly take on any more. Or I'm still learning on my current job. Plenty of women are as ambitious as men, but I am saying and I want to say it unequivocally and unapologetically, that the data is clear that when it comes to ambition to lead, to be the leader of whatever you're doing, men, boys outnumber girls and women.

(END VIDEO CLIP)

STEPHANOPOULOS: And that is what is setting people off already.

Look at some of this reaction. You see some of the headlines. I want to go to you Congresswoman Schultz. You see Maureen Dowd, "Pom- pom Girl for Feminism." Washington Post's "Sandberg's Lean In Campaign Holds Little for Most Women." Forbes, "Leaning In Doesn't Fix What's Actually Broken for Working Women."

She actually asked you to give your lean in story.

WASSERMAN SCHULTZ: And I proudly did so. And just look at the reaction -- what the reaction to Sheryl Sandberg's book has done. It's evidence of how it is so hard for women to wear our ambition on our sleeves, to pursue our dreams, to believe that we can reach the top of any profession and that we should always shoot for the stars. That's how my parents raised me to believe that I could grow up and be anything I wanted to be. And what Sheryl Sandberg has done for little girls, my two daughters and children across -- little girls across America -- is written a book, a manifesto that says it is OK to be ambitious. It's OK to want to have it all, that balance is important, but that there is nothing wrong with trying to have a full professional life and be a leader and succeed as a woman and also having a full family life. You don't have to choose. It can be both/and.

STEPHANOPOULOS: But some of her critics, Julianna Goldman, has said it is in that Anne Marie Slaughter in today's New York Times book review suggests that she seems to be underemphasizing the kind of real constraints women feel inside the workplace, institutional constraints.

GOLDMAN: So in 2011 when Sheryl Sandberg gave the commencement address at Barnhardt College, my alma mater, a bunch of my girlfriends and I, we had for days a running email chain about how empowering this message is. And for someone like myself, I don't have children, I'm not married, I but think about my career and I think about how someday I do want to strike that balance. And so it's so important right now to be able to have role models, women having this discussion like Sheryl Sandberg, like Ann Marie Slaughter, so that we can think about how we're going to be making choices down the road.

STEPHANOPOULOS: I take it there's been a lot of resonance about this phrase she has, don't leave before you leave, which is sort of to take yourself preemptively out of the work you do. Does that strike a cord with you?

GOLDMAN: Yeah, I think about -- you know, last May getting a call from the White House saying, OK, in 24 hours you're going to be going on a secret trip to Afghanistan. If I had a family, how would I be dealing with that? How am I going to be able to have this career, pursue this path and want that someday and it doesn't mean that I can't be doing that now.

WASSERMAN SCHULTZ: I deal with that every day. I have three kids, twin 13-year-olds and a 9-year-old, I have

a husband who is an amazing dad who understands that equal parenting is important. He has an employer, George, that understands that making sure that he is able to have a balanced family life and be there as a professional is important and those are all -- it is a team effort through employers, through parenting, through making sure that our educational process encourages girls as equally as boys and through girls having role models like Sheryl Sandberg who tell them it is OK to be ambitious and you should go for it when you can.

STEPHANOPOULOS: Where do men fit in this debate, George?

WILL: Well, Sheryl Sandberg says there's an ambition gap, and she sounds a little like bit like Professor Henry Higgins saying why can't woman be more like a man. Maybe men should be more like women in the sense that they should be more your like husband. My four biggest achievements in life are named John, Jeff, David and Victoria. They're children. And I think we all feel the same way. And when Ann Marie Slaughter causes a huge national uproar with an article in I guess "The Atlantic" saying women can't have it all after all. I have news for her, no one can have it all.

KRUGMAN: I just think, you know, the reaction is, people are saying I haven't read the book, but people are saying well Sheryl Sandberg is not talking enough about -- not talking about all the problems. Well, you know, what are you asking her for? She writing a book that is making the point that there is this -- there is -- that women, some women who could be doing much more lean back, don't do enough. She's not talking about the problems of every woman. That's OK. I mean, apparently it's a really powerful book for those who found a message in it.

We're asking -- this in itself is telling us about how difficult, how unprepared we are to have women as a full part of our society.

WASSERMAN SCHULTZ: It just means that we need to make sure that for women in every walk of life they have an opportunity to succeed and to achieve their dreams and it isn't only -- I don't think Sheryl's book is written only for wealthy women of privilege, it's written for all girls and all women who have big dreams, who we should encourage to dream big dreams and we should help make sure that the path for their ability to succeed.

STEPHANOPOULOS: Any argument there?

JOHNSON: No, listen, this is a tough balance. I've been surrounded by strong, capable women -- my mother, my wife, people that -- women I work with. It's a tough job and it's great that we have wonderful examples, power of example is great.

STEPHANOPOULOS: No question about that. And we're going to be hearing a lot more of her and a lot more of her example. Thank you all for a terrific roundtable today.

And I guess congresswoman Wasserman Schultz is going to stick around and answer your questions for today's web extra. You check it out at abcnews.com/thisweek.

And coming up next here, our Sunday spotlight. The world according to Dick Cheney. He's got a brand-new documentary on Showtime.

(COMMERCIAL BREAK)

STEPHANOPOULOS: The Sunday Spotlight is next, but first here's some Sunday funnies.

(BEGIN VIDEO CLIP)

JIMMY KIMMEL, JIMMY KIMMEL LIVE: The White House announced that starting this weekend they're canceling all tours for the foreseeable future because of sequester-related budget cuts which isn't going to cut into Joe Biden's

balloon animal business. He had a fine spot, you get them right before the gift shop.

CONAN O'BRIEN, CONAN: Today, the Senate Minority Leader Mitch McConnell released a Harlem Shake video. So once again just when you think a trend is dead it's made cool again by senate minority leader Mitch McConnell.

(END VIDEO CLIP)

ANNOUNCER: Catch This Week online all week at abcnews.com, on Facebook, and Twitter.

(COMMERCIAL BREAK)

STEPHANOPOULOS: And we are back now with our Sunday Spotlight. This week it's on R.J. Cutler. The filmmaker has a new Showtime documentary "The World According to Dick Cheney."

Cheney's cooperation did not come easy.

(BEGIN VIDEOTAPE)

R.J. CUTLER, FILMMAKER: I was advised early on that the best path to getting him to participate would be patience and, indeed, it took seven months between the time that I first reached out to him and the time that he invited me to have lunch with him to discuss what my plans were for the film. He does say a lot that he is not interested in what people think about him, but it's hard to imagine that he's not invested in what his legacy is.

He is the significant figure in American history.

DICK CHENEY, FRM. VICE PRESIDENT OF THE UNITED STATES: I don't lay awake at night thinking, gee, what are they going to say about me now? I didn't worry about it a lot when I was doing it and I thought the best way to get on with my life and my career was to do what I thought was right.

CUTLER: Making a film like "The World According to Dick Cheney" you need to enter most of all with curiosity, not with expectations, not with preconceived notions, but with questions. I was very struck by his comparison of honor and duty when he was talking about enhanced interrogation and his really his dismissal of honor as a value in the face of duty.

CHENEY: Tell me what terrorist attacks you would have let go forward, because you didn't want to be mean and nasty fellow. Are you going to trade the lives of people because you want to preserve your honor are you going to do your job, do what's required first and foremost your responsibility is to safeguard the united states of America and the lives of its citizens.

CUTLER: He does not feel that there is room for compromise and that compromise is a quality that a strong leader has and I think that it raises the question of when total conviction serves a democracy and when it can be problematic for a democracy. And that's a question that to me is worth considering not only in the specific analysis of the George W. Bush presidency and his relationship with Vice President Cheney and Vice President Cheney's career, but in thinking about democracy from a larger view. And so this was a major reason why we wanted to make this film and something that I was really excited about exploring.

(END VIDEOTAPE)

STEPHANOPOULOS: And it is a fascinating look at a powerful man. "The World According to Dick Cheney" premieres Friday on Showtime. Our thanks to R.J. Cutler for that.

And now we honor our fellow Americans who serve and sacrifice. This week, the Pentagon released the name of one soldier killed in Afghanistan.

That is all for us today. Thanks for sharing part of your Sunday with us. Check out "World News with David Muir" tonight. Diane Sawyer will be in Rome all week long covering the papal conclave, that begins later in the week. And I'll see you tomorrow on GMA.

END

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